

State of California
Business, Transportation and Housing Agency
Department of Transportation

PROGRAM STATUS
AB 1012 Balance Report
Information Item

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Original Signed By

MARK LEJA
Acting Chief Financial Officer
October 1, 2001

AB 1012 Use it or Lose It Quarterly Balance Report

Background

AB 1012 was enacted October 10, 1999 with a goal of improving the delivery of transportation projects. The legislation states that regional agency Congestion Mitigation and Air Quality Improvement (CMAQ) and Regional Surface Transportation Program (RSTP) funds that are not obligated within the first three years of federal eligibility are subject to reprogramming by the California Transportation Commission in the fourth year. In addition, the Department is required to submit quarterly progress reports on impacted fund balances to the Commission.

Updated AB 1012 Unobligated Balance Report

- **Second Cycle Update**

The annual notice to regional agencies for the second cycle of AB 1012 use it or lose it provisions was released on December 5, 2000. At that time, second cycle RSTP, CMAQ, and Regional Transportation Enhancement Activity (TEA) funds subject to potential reprogramming on December 5, 2001 totaled approximately \$276.9 million.

The regional agencies are continuing to make great progress in reducing RSTP, CMAQ and Regional TEA balances. Based upon July 31, 2001 balance reports, total funds subject to reprogramming for the second cycle of AB 1012 are approximately \$74.7 million. This is made up of approximately \$14.7 million in CMAQ funds for six separate agencies, \$34.3 million in RSTP funds for three agencies, and \$25.7 million in Regional TEA funds for 24 agencies. This is an overall reduction of \$202.2 million from the initial second cycle notification.

Of the \$25.7 million in Regional TEA funds, approximately \$3.5 million for 12 separate agencies is in the fourth year of its federal life and would be subject to federal lapse on September 30, 2001. Six of these 12 agencies have not obligated any projects since the release of the 2nd cycle notice on December 5, 2000. Fortunately, on a statewide basis, these funds are not at risk of federal lapse due to Regional TEA fund use by other agencies. The Department continues to work closely with the regions to ensure these funds are obligated within the required time frame.

Information on RSTP, CMAQ, and Regional TEA balances as of July 31, 2001, by region is included in Attachment I.

- **Obligation Plans**

Regional agencies with balances subject to potential reprogramming in the 2nd cycle were required to submit formal obligation plans for any CMAQ, RSTP, or Regional TEA balances older than 2-years old to the Department by June 5, 2001. Obligation plans for CMAQ, RSTP or Regional TEA were received from most of the agencies without delay. Several agencies submitted plans but did not follow the format and instructions provided in accordance with the adopted AB 1012 Use it or Lose it Guidelines. As of September 1, 2001, one agency had not submitted a plan for their outstanding CMAQ funds and three agencies had not submitted plans for their outstanding Regional TEA funds.

Local Assistance evaluated obligation plans associated with those agencies that had balances subject to reprogramming as of July 31, 2001. A few agencies are requesting additional time to obligate their projects and have provided information on projects that would be obligated if an extension is granted. The plans that were submitted reflect the following:

CMAQ - Two agencies requested extensions, one through May 2002 and one through June 2002, for roughly \$3.4 million. The Department supports the extension requests. Three agencies submitted plans to clear their 2nd cycle balances by December 5, 2001. One agency did not submit a plan for their \$246 thousand. Statewide, the total CMAQ unobligated balance reflects funds that are only one-year old. By December 5, 2001, the unobligated 2nd cycle balance should be no more than \$3.646 million.

RSTP - One agency submitted a waiver request due to the State's exchange of regional CMAQ funds for state STP funds increased their RSTP balance by roughly \$30 million. The Department supports the waiver request. Two agencies submitted plans to clear their 2nd cycle balances by December 5, 2001. Statewide, the total RSTP unobligated balance reflects funds that are one or two years old. By December 5, 2001, the unobligated 2nd cycle balance should be no more than \$29.9 million, which reflects STP funds transferred from the state in exchange for CMAQ funds. We are working with the regional agency to identify opportunities to reduce the STP balance as quickly as possible.

Regional TEA - One agency requested an extension to June 2002 for roughly \$200 thousand. Two agencies submitted plans that clear all but approximately \$845 thousand. These two agencies did not specifically request extensions, but their plans indicate that obligations can be made by April 2002 and July 2002 to clear their 2nd cycle balances. Eighteen agencies submitted plans to clear their 2nd cycle balances by December 5, 2001. Three agencies did not submit plans for approximately \$809 thousand, including \$365 thousand that is in its fourth year. Statewide, the total Regional TEA unobligated balance reflects funds that are up to three years old. By December 5, 2001, the unobligated 2nd cycle balance should be no more than \$1.9 million.

Additional analysis and information is included in Attachment II.

APPORTIONMENT STATUS REPORT
as of July 31, 2001
Congestion Mitigation and Air Quality (CMAQ)

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<u>Region</u>	<u>CMAQ Unobligated 7/31/2001 Delivery Balance ¹</u>	<u>CMAQ Amount Subject to AB 1012 Reprogramming 12/05/2001 ²</u>	<u>Obligation Plan Information or Status</u>
Butte	1,425,070	390,112	Ext. Req. to 5/02 ³
Fresno	15,612,922	-	
Kern	4,287,308	-	
Kings	-	-	
Los Angeles	17,433,904	-	
Madera	-	-	
Merced	471,968	-	
Monterey	4,402,421	-	
Orange	57,171,075	-	
Riverside	44,416,700	10,094,644	Ext. Req. to 6/02 ⁴
Sacramento (SACOG)	(293,073)	-	
San Benito	743,409	214,663	Clear by 12/5/01
San Bernardino	43,323,936	1,709,341	Clear by 12/5/01
San Diego	(4,320,340)	-	
S.F. Bay Area (MTC)	(4,220,610)	-	
San Joaquin	6,992,942	-	
San Luis Obispo	-	-	
Santa Barbara	5,784,135	-	
Santa Cruz	1,026,298	-	
Stanislaus	3,424,215	-	
Tahoe	807,009	246,398	No Plan Received
Tulare	8,768,220	2,026,871	Clear by 12/5/01
Ventura	9,710,873	-	
Rural Counties & SCAG	-	-	
TOTAL	\$ 216,968,382	\$14,682,029	

¹ Indicates all apportionments not yet obligated

² Reflects balances in 3rd year.

³ May oblig. to cover 2nd cycle bal. + any 3rd cycle notice

⁴ \$7.1M to be oblig. by 12/5/01 - \$41M between Jan/Aug 2002

APPORTIONMENT STATUS REPORT
as of July 31, 2001
Regional Surface Transportation Program (RSTP)

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<u>Region</u>	<u>RSTP Unobligated 7/31/2001 Delivery Balance ¹</u>	<u>RSTP Amount Subject to AB 1012 Reprogramming 12/05/2001 ²</u>	<u>Obligation Plan Information or Status</u>
Butte	66,792	-	
Fresno	11,543,095	-	
Kern	3,035,403	-	
Kings	-	-	
Los Angeles	176,068,671	-	
Madera	-	-	
Merced	1,636,593	-	
Monterey	2,311,858	-	
Orange	73,919,468	29,876,827	Waiver Req ³
Riverside	19,604,877	-	
Sacramento (SACOG)	28,726,497	-	
San Benito	227,951	-	
San Bernardino	235,646	-	
San Diego	66,710,547	4,429,448	Clear by 12/5/01
S.F. Bay Area (MTC)	48,766,009	-	
San Joaquin	7,871,865	-	
San Luis Obispo	1,474,063	-	
Santa Barbara	2,921,012	-	
Santa Cruz	(239,999)	-	
Stanislaus	4,484,421	-	
Tahoe	307,101	-	
Tulare	-	-	
Ventura	6,610,113	-	
Rural Counties & SCAG	3,817,938	28,613	Clear by 12/5/01
TOTAL	460,099,921	\$34,334,888	

¹ Indicates all apportionments not yet obligated

² Reflects balances in 3rd year.

³ Waiver req. due to State's exchange of CMAQ for STP - Dept. supports

APPORTIONMENT STATUS REPORT

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as of July 31, 2001

Regional Transportation Enhancement Activities (TEA)

<u>Region</u>	<u>R-TEA Unobligated 7/31/2001 Delivery Balance ¹</u>	<u>R-TEA Amount Subject to AB 1012 Reprogramming 12/05/2001 ²</u>	<u>R-TEA Amount Subject to Federal Lapse 9/30/2001</u>	<u>Obligation Plan Information or Status</u>
Butte	-	-	-	
Fresno	2,460,860	109,953	-	Clear by 12/5/01
Kern	1,467,221	-	-	
Kings	369,719	-	-	
Los Angeles	30,374,719	7,736,552	-	\$7M by 12/5/01 ³
Madera	-	-	-	
Merced	-	-	-	
Monterey	1,553,333	288,924	-	Clear by 12/5/01
Orange	7,009,593	850,821	-	Clear by 12/5/01
Riverside	6,258,526	2,038,823	126,823	Ext. Req. to 6/02 ⁴
Sacramento (SACOG)	3,801,959	-	-	
San Benito	278,892	67,719	-	Clear by 12/5/01
San Bernardino	10,205,429	4,365,115	1,719,115	Clear by 12/5/01
San Diego	6,511,340	-	-	
S.F. Bay Area (MTC)	21,811,222	4,417,555	-	Clear by 12/5/01
San Joaquin	2,173,944	613,590	-	Clear by 12/5/01
San Luis Obispo	1,153,798	-	-	
Santa Barbara	2,053,053	557,011	-	Clear by 12/5/01
Santa Cruz	625,272	-	-	
Stanislaus	772,184	-	-	
Tahoe	322,980	146,000	66,000	No Plan Received
Tulare	2,515,872	1,053,116	390,116	Clear by 12/5/01
Ventura	840,728	-	-	
Rural Counties & SCAG	9,834,251	3,411,367	1,236,112	See Rural Counties
TOTAL	\$112,394,895	\$25,656,546	\$3,538,166	

¹ Indicates all apportionments not yet obligated

² Reflects balances in 3rd or 4th year.

³ L.A. didn't request more time. They need until Apr. 2002 to clear the 2nd cycle bal.

⁴ \$1.8 M to be oblig. by 12/5/01

as of July 31, 2001

Regional Surface Transportation Program (RSTP) for Rural Counties

<u>Region</u>	<u>RSTP Unobligated 7/31/2001 Delivery Balance ¹</u>	<u>RSTP Amount Subject to AB 1012 Reprogramming 12/05/2001 ²</u>	<u>Obligation Plan Information or Status</u>
Rural County Information:			
Del Norte	-	-	
Humboldt	-	-	
Lake	-	-	
Mendocino	-	-	
Lassen	-	-	
Modoc	-	-	
Plumas	-	-	
Shasta	59,042	-	
Siskiyou	-	-	
Tehama	-	-	
Trinity	-	-	
Colusa	11,064	-	
El Dorado	1,300,186	-	
Glenn	51,439	-	
Nevada	-	-	
Placer	-	-	
Sierra	-	-	
Inyo	-	-	
Mono	-	-	
Alpine	-	-	
Amador	-	-	
Calaveras	-	-	
Mariposa	-	-	
Tuolumne	-	-	
Imperial (SCAG)	2,396,207	28,613	Clear by 12/5/01
Rural Combined Totals:	\$3,817,938	\$28,613	

¹ Indicates all apportionments not yet obligated

² Reflects balances in 3rd year.

as of July 31, 2001

Regional Transportation Enhancement Activities (TEA) for Rural Counties

Region	R-TEA Unobligated 7/31/2001 Delivery Balance ¹	R-TEA Amount Subject to AB 1012 Reprogramming 12/05/2001 ²	R-TEA Amount Subject to Federal Lapse 9/30/2001	Obligation Plan Information or Status
Rural County Information:				
Del Norte	303,950	135,148	59,148	Clear by 12/5/01
Humboldt	1,228,185	523,356	204,356	Clear by 12/5/01
Lake	475,822	185,111	53,111	Clear by 12/5/01
Mendocino	(108,026)	-	-	
Lassen	369,230	-	-	
Modoc	-	-	-	
Plumas	384,775	120,000	-	Clear by 12/5/01
Shasta	30,683	-	-	
Siskiyou	909,132	386,497	149,497	Clear by 12/5/01
Tehama	-	-	-	
Trinity	(381,330)	-	-	
Colusa	135,377	-	-	
El Dorado	215,048	-	-	
Glenn	-	-	-	
Nevada	33,735	-	-	
Placer	964,389	387,000	125,000	Clear by 12/5/01
Sierra	224,863	102,000	46,000	No Plan Received
Inyo	1,693,099	766,000	346,000	\$658K by 12/5/01 ³
Mono	1,240,241	561,000	253,000	No Plan Received
Alpine	99,671	-	-	
Amador	246,988	20,000	-	Clear by 12/5/01
Calaveras	-	-	-	
Mariposa	190,715	47,582	-	Clear by 12/5/01
Tuolumne	304,998	-	-	
Imperial (SCAG)	1,272,706	177,673	-	Clear by 12/5/01
Rural Combined Totals:	\$9,834,251	\$3,411,367	\$1,236,112	

¹ Indicates all apportionments not yet obligated

² Reflects balances in 3rd or 4th year.

³ Inyo did not request more time. They need until Jul. 2002 to clear the 2nd cycle bal.

ANALYSIS OF AB 1012 2ND CYCLE OBLIGATION PLANS

CMAQ

- Butte has obligated all but \$390 thousand of their CMAQ funds subject to potential reprogramming in the 2nd cycle. Their original notification was for \$451 thousand. They are requesting additional time to obligate the remaining \$390 thousand as they have two projects scheduled for May 2002 obligation that should cover the remainder of their 2nd cycle funds plus any 3rd cycle funds noticed. The Department supports an extension of the 2nd cycle deadline to June 2002.
- Riverside has obligated all but \$10 million of their CMAQ funds subject to potential reprogramming in the 2nd cycle. Their original notification was for \$13.9 million. Riverside's plan indicates that an additional \$7.1 million can be obligated by the 2nd cycle deadline and the additional \$2.9 million can be obligated by June 2002. They are requesting additional time to obligate the remainder of the 2nd cycle funds. Riverside has planned obligations between January and August 2002 of about \$41 million, including a \$30 million high occupancy vehicle (HOV) project on State Route 60. The Department supports an extension of the 2nd cycle deadline to June 2002.
- San Benito has obligated all but \$215 thousand of their CMAQ funds subject to potential reprogramming in the 2nd cycle. Their original notification was for \$231 thousand. Their obligation plan indicates obligations will be made for two projects to clear their balance by the 2nd cycle deadline.
- San Bernardino has obligated all but \$1.7 million of their CMAQ funds subject to potential reprogramming in the 2nd cycle. Their original notification was for \$13.9 million. Their obligation plan indicates obligations will be made for four projects to clear their balance by the 2nd cycle deadline.
- Tahoe did not submit an obligation plan for their CMAQ funds. Their 2nd cycle balance remains \$246 thousand. There have been no obligations since the 2nd cycle notice. Upon release of the September 30, 2001, balances, the Department will report to the Commission on the obligation status and make an appropriate recommendation if there is an unobligated 2nd cycle balance remaining.
- Tulare has obligated all but \$2 million of their CMAQ funds subject to potential reprogramming in the 2nd cycle. Their original notification was for \$2.9 million. Their obligation plan indicates obligations will be made for at least nine projects to clear their balance by the 2nd cycle deadline.

RSTP

- Orange has obligated all but \$29.9 million of their RSTP funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$42.7 million. It is important to note that there was a fund exchange made by Caltrans in July 1999 that reduced the CMAQ balance by nearly \$30 million and caused a corresponding increase to

the RSTP balance. The overall impact had the exchange not occurred would be that Orange would have no balances in CMAQ or RSTP subject to reprogramming in the 2nd cycle. An obligation plan was submitted to reduce the balance; however, Orange is requesting that the potential reprogramming of RSTP funds be waived for the 2nd cycle due to the impact of the exchange and their delivery record to date. The Department concurs.

- San Diego has obligated all but \$4.4 million of their RSTP funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$42.8 million. Like Orange, San Diego was also impacted by the July 1999 fund exchange for approximately \$30 million. However, they were able to accelerate delivery of some large projects and substantially reduce their RSTP balance. They anticipate full obligation of the 2nd cycle funds by the December 5th deadline.
- Imperial has obligated all but \$27 thousand of their RSTP funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$1 million. Their obligation plan indicates obligations will be made for at least nine projects to clear their balance by the 2nd cycle deadline.

Regional TEA

- Fresno has obligated all but \$110 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$480 thousand. Their obligation plan indicates obligations will be made for one project to clear their balance by the 2nd cycle deadline.
- Los Angeles has obligated all but \$7.7 million of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$14.4 million. Their obligation plan was nearly 50 pages long. While the relevant questions were answered, the format did not meet the criteria set forth in the guidelines or instructions. After a lengthy review of their submittal, it appears that approximately \$7 million is scheduled for obligation by December 2001 and approximately \$5.1 million is scheduled between December 2001 and July 2002. Of the \$7 million scheduled before December 2001, nearly \$5.7 million was scheduled between June and July 2001. An audit of the Regional TEA obligated projects indicates that these funds were not obligated by July 31, 2001 as indicated.
- Monterey has obligated all but \$289 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$719 thousand. Their obligation plan indicates obligations will be made for at least five projects to clear their balance by the 2nd cycle deadline.
- Orange has obligated all but \$851 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$1.9 million. Their obligation plan indicated that there are five projects that are miscoded. An audit indicates that this is the case; therefore, the unobligated balance should be \$2.28 million less than reported. Local Assistance is working with Accounting to correct these coding errors.

- Riverside has obligated all but \$2 million of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$3.4 million. Their obligation plan indicates approximately \$1.8 million will be obligated by the 2nd cycle deadline. Riverside is requesting additional time to obligate the remaining \$200 thousand. They have roughly \$5 million in programmed projects scheduled that should be obligated between January and June 2002.
- San Benito has obligated all but \$68 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$175 thousand. Their obligation plan indicates obligations will be made for two projects to clear their balance by the 2nd cycle deadline.
- San Bernardino has obligated all but \$4.4 million of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$4.8 million. Their obligation plan indicates obligations will be made for six projects to clear their balance by the 2nd cycle deadline.
- San Francisco Bay Area has obligated all but \$4.4 million of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$11.3 million. The input from the Metropolitan Transportation Commission (MTC) indicated that there are four projects that are miscoded. An audit indicates that this is the case; therefore, the unobligated balance should be \$2.024 million less than reported. Local Assistance is working with Accounting to correct these coding errors. The remaining balance subject to reprogramming is still approximately \$2.4 million. MTC's plan indicates that obligations will be made to clear their balance by the 2nd cycle deadline.
- San Joaquin has obligated all but \$614 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$586 thousand. Their obligation plan indicates obligations will be made for three projects to clear their balance by the end of June 2001. An audit of the Regional TEA obligated projects indicates that these funds were not obligated by June 2001 as indicated.
- Santa Barbara has obligated all but \$557 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original notice was for \$1.2 million. Their obligation plan indicates obligations will be made for four projects to clear their balance by the 2nd cycle deadline.
- Tahoe did not submit an obligation plan for their Regional TEA funds. Their 2nd cycle balance remains \$146 thousand. There have been no obligations since the 2nd cycle notice. Upon release of the September 30, 2001, balances, the Department will report to the Commission on the obligation status and make an appropriate recommendation if there is an unobligated 2nd cycle balance remaining.
- Tulare's 2nd cycle balance remains \$1 million. Their obligation plan indicated obligations would be made for five projects to clear their balance by the 2nd cycle deadline. Obligation documents have been submitted to Caltrans to clear their balance.
- Del Norte has a balance of \$135 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original balance was \$139 thousand.

Their obligation plan indicates obligations will be made for one project to clear their balance by the 2nd cycle deadline.

- Humboldt's 2nd cycle balance remains \$523 thousand. There have been no obligations since the 2nd cycle notice. Their obligation plan indicates obligations will be made for eight projects to clear their balance by the 2nd cycle deadline. An audit of the Regional TEA obligations indicates three obligations, totaling \$92 thousand, were scheduled by July 2001 and have yet to be obligated.
- Lake's 2nd cycle balance remains \$186 thousand. Their obligation plan indicated an obligation would be made for one project to clear their balance by the 2nd cycle deadline. The obligation was made and their balance subject to reprogramming is cleared.
- Plumas has obligated all but \$120 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original balance was \$219 thousand. Their obligation plan indicates obligations will be made for one project to clear their balance by the 2nd cycle deadline.
- Siskiyou has obligated all but \$386 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original balance was \$432 thousand. Their obligation plan indicates obligations will be made for eight projects to clear their balance by the 2nd cycle deadline.
- Placer has obligated all but \$387 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original balance was \$477 thousand. Their obligation plan indicates obligations will be made for one project to clear their balance by the 2nd cycle deadline. An audit of the Regional TEA obligations indicates that the obligation, totaling \$650 thousand, was scheduled by April 2001 and has yet to be obligated.
- Sierra did not submit an obligation plan for their Regional TEA funds. Their 2nd cycle balance remains \$102 thousand. There have been no obligations since the 2nd cycle notice. Upon release of the September 30, 2001, balances, the Department will report to the Commission on the obligation status and make an appropriate recommendation if there is an unobligated 2nd cycle balance remaining.
- Inyo's 2nd cycle balance remains \$766 thousand. There have been no obligations since the 2nd cycle notice. Their obligation plan indicates obligations will be made for two projects totaling \$658 thousand by the 2nd cycle deadline. Another \$468 thousand is planned for July 2002. An audit of the Regional TEA obligations indicates that one obligation, totaling \$12 thousand, was scheduled by July 2001 and has yet to be obligated.
- Mono did not submit an obligation plan for their Regional TEA funds. Their 2nd cycle balance remains \$561 thousand. However, an audit of their projects revealed a coding error that will reduce the balance to \$251 thousand. . Local Assistance is working with Accounting to correct the error. Upon release of the September 30, 2001, balances, the Department will report to the Commission on the obligation status and make an appropriate recommendation if there is an unobligated 2nd cycle balance remaining.

- Amador's 2nd cycle balance remains \$20 thousand. There have been no obligations since the 2nd cycle notice. Their obligation plan indicates obligations will be made for one project to clear their balance by the 2nd cycle deadline.
- Mariposa's 2nd cycle balance remains \$48 thousand. There have been no obligations since the 2nd cycle notice. Their obligation plan indicates obligations will be made for one project to clear their balance by the 2nd cycle deadline.
- Imperial has obligated all but \$178 thousand of their Regional TEA funds subject to potential reprogramming for the 2nd cycle. Their original balance was \$519 thousand. Their obligation plan indicates obligations will be made for one project to clear their balance by the 2nd cycle deadline.